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CONFORMED COPY
OF ORIGINAL FILED
Los Angeles Superior Court

NOV 18 2008

John A. Clarke, Executive Officer/Clerk

By L. Pastel, Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

CENTER FOR ENVIRONMENTAL HEALTH, a non-profit corporation, Plaintiff, v. AIRPORT CONCESSIONS, INC. DBA CALIFORNIA NEWS & GIFTS, and DOES 1 through 200, inclusive, Defendants.	Case No. SC095814 **[PROPOSED] CONSENT JUDGMENT**

1. INTRODUCTION

1.1 On October 25, 2007, plaintiff the Center for Environmental Health ("CEH"), a non-profit corporation, filed a complaint in Los Angeles County Superior Court, entitled *Center for Environmental Health v. Airport Concessions, Inc. dba California News & Gifts* (the "Action"), for civil penalties and injunctive relief pursuant to the provisions of Cal. Health & Safety Code §25249.5 *et seq.* ("Proposition 65"). CEH's Complaint named Airport Concessions, Inc., doing business as California News & Gifts and unnamed "Does" as defendants. Airport Concessions California, LLC is an affiliate of Airport Concessions, Inc. that also does business as California News & Gifts. Airport Concessions, Inc. and Airport Concessions California, LLC are referred to collectively herein as "ACI."

1.2 ACI is a corporation that employs 10 or more persons and manufactures, distributes and/or sells bottled water containing nicotine (the "Products") in the State of California.

1.3 On or about August 14, 2007, CEH served ACI and the appropriate public enforcement agencies with the requisite 60-day notice that ACI was in violation of Proposition 65. CEH's notice and the Complaint in this Action allege that ACI exposes people who consume the Products to nicotine, a chemical known to the State of California to cause birth defects and other reproductive harm, without providing prior clear and reasonable warning to such persons regarding the reproductive toxicity of nicotine, in violation of Health & Safety Code §25249.6.

1.4 For purposes of this Consent Judgment only, the parties stipulate that this Court has jurisdiction over the allegations of violations contained in CEH's Complaint and personal jurisdiction over ACI as to the acts alleged in CEH's Complaint, that venue is proper in the County of Los Angeles, and that this Court has jurisdiction to enter this Consent Judgment as a full and final resolution of all claims which were or could have been raised in the Complaint based on the facts alleged therein.

1.5 The Parties enter into this Consent Judgment pursuant to a settlement of certain disputed claims between the Parties as alleged in the Complaint for the purpose of avoiding prolonged and costly litigation between the Parties hereto. By execution of this Consent

Judgment, the Parties do not admit any facts or conclusions of law, including, but not limited to, any facts or conclusions of law suggesting or demonstrating any violations of Proposition 65. Nothing in this Consent Judgment shall be construed as an admission by the Parties of any fact, conclusion of law, issue of law or violation of law, nor shall compliance with the Consent Judgment constitute or be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law. Nothing in this Consent Judgment shall prejudice, waive or impair any right, remedy, argument or defense the Parties may have in this or any other or future legal proceedings. This Consent Judgment is the product of negotiation and compromise and is accepted by the Parties, for purposes of settling, compromising and resolving issues disputed in this action, including future compliance by ACI with Section 2 of this Consent Judgment and shall not be used for any other purpose, or in any other matter.

2. COMPLIANCE

2.1 As of July 1, 2008 (the "Compliance Date"), ACI shall not manufacture, distribute, ship, or sell, or cause to be manufactured, distributed, or sold, any Products unless such Products bear a label containing the following warning language:

WARNING: This product contains nicotine, a chemical known to cause birth defects and other reproductive harm.

The warning statement shall be prominently displayed on the front of the package apart from any other print that appears, and shall be displayed in a separate outlined box with no other language and with such conspicuousness, as compared with other words, statements, or designs as to render it likely to be read and understood by an ordinary individual. The warning statement shall not be preceded, followed, or surrounded by words, symbols, or other matter that reduces its conspicuousness or that introduces, modifies, qualifies, or explains the required text, such as "legal notice required by law."

3. SETTLEMENT PAYMENT

3.1 Within 45 days of the Court's entry of this Consent Judgment, ACI shall pay the sum of $20,000 as a settlement payment. This total shall be paid in two separate checks delivered to the offices of the Lexington Law Group, LLP at the address set forth in section 12

below and made payable and allocated as follows. Any failure by ACI to comply with the payment terms herein shall be subject to a stipulated late fee in the amount of $100 for each day after the delivery date the payment is received. The late fees required under this section shall be recoverable, together with reasonable attorneys' fees, in an enforcement proceeding brought pursuant to section 5 of this Consent Judgment.

3.1.1 Monetary Payment in Lieu of Penalty: $6,500 shall be paid to CEH in lieu of any penalty pursuant to Health and Safety Code § 25249.7(b). This payment shall be made by check payable to Center for Environmental Health. CEH shall use such funds to continue its work protecting people from exposures to toxic chemicals. .

3.1.2 Attorneys' Fees and Costs: $13,500 shall be used to reimburse CEH and its attorneys for their reasonable investigation fees and costs, attorneys' fees, and any other costs incurred as a result of investigating, bringing this matter to ACI's attention, litigating and negotiating a settlement in the public interest. This payment shall be made by check payable to Lexington Law Group, LLP.

4. MODIFICATION OF CONSENT JUDGMENT

4.1 This Consent Judgment may be modified by written agreement of CEH and ACI, after noticed motion, and upon entry of a consent judgment by the Court thereon, or upon motion of CEH or ACI as provided by law and upon entry of a modified consent judgment by the Court.

5. ENFORCEMENT OF CONSENT JUDGMENT

5.1 CEH may, by motion or application for an order to show cause before the Superior Court of the County of Los Angeles, enforce the terms and conditions contained in this Consent Judgment. Should CEH prevail on any motion or application under this section, CEH shall be entitled to its reasonable investigation fees and costs, attorneys' fees, and any other costs incurred as a result of such motion or application.

6. APPLICATION OF CONSENT JUDGMENT

6.1 This Consent Judgment shall apply to and be binding upon the parties hereto, their divisions, subdivisions and subsidiaries, and the successors or assigns of any of

them.

7. RELEASE

7.1 This Consent Judgment is a full, final and binding resolution between CEH and ACI of any violation of Proposition 65 that could have been asserted against ACI in the Complaint based on ACI's failure to warn about exposure to nicotine contained in the Products, with respect to any Products manufactured, distributed or sold by ACI on or prior to the date of entry of this Consent Judgment. Compliance with the terms of this Consent Judgment by ACI shall constitute compliance with Proposition 65 by ACI with respect to any alleged failure to warn about exposure to nicotine contained in the Products with respect to any Products manufactured, distributed or sold by ACI. This release does not limit or effect the obligations of any party created under this Consent Judgment.

8. SEVERABILITY

8.1 In the event that any of the provisions of this Consent Judgment are held by a court to be unenforceable, the validity of the enforceable provisions shall not be adversely affected.

9. SPECIFIC PERFORMANCE

9.1 The parties expressly recognize that ACI's obligations under this Consent Judgment are unique. In the event that ACI is found to be in breach of this Consent Judgment for failure to comply with the provisions of Section 2 hereof, the parties agree that it would be extremely impracticable to measure the resulting damages and that such breach would cause irreparable damage. Accordingly, CEH, in addition to any other available rights or remedies, may sue in equity for specific performance, and ACI expressly waives the defense that a remedy in damages will be adequate.

10. GOVERNING LAW

10.1 The terms of this Consent Judgment shall be governed by the laws of the State of California.

11. RETENTION OF JURISDICTION

11.1 This Court shall retain jurisdiction of this matter to implement this Consent Judgment.

12. PROVISION OF NOTICE

12.1 All notices required pursuant to this Consent Judgment and correspondence shall be sent to the following:

For CEH:

Howard Hirsch
Lexington Law Group, LLP
1627 Irving Street
San Francisco, CA 94122

For ACI:

Christopher G. Foster
Brownstein Hyatt Farber Schreck
11911 San Vicente Boulevard, Suite 350
Los Angeles, CA 90049-6650

13. COURT APPROVAL

13.1 If this Consent Judgment is not approved by the Court, it shall be of no further force or effect.

14. EXECUTION AND COUNTERPARTS

14.1 The stipulations to this Consent Judgment may be executed in counterparts and by means of facsimile, which taken together shall be deemed to constitute one document.

15. AUTHORIZATION

15.1 Each signatory to this Consent Judgment certifies that he or she is fully authorized by the party he or she represents to stipulate to this Consent Judgment and to enter into and execute the Consent Judgment on behalf of the party represented and legally bind that party. The undersigned have read, understand and agree to all of the terms and conditions of this Consent Judgment. Except as explicitly provided herein, each party is to bear its own fees and costs.

AGREED TO:

CENTER FOR ENVIRONMENTAL HEALTH

Dated: 7/21/08

Michael Green, Executive Director
Center for Environmental Health

AIRPORT CONCESSIONS, INC. and
AIRPORT CONCESSIONS CALIFORNIA, LLC

Dated: _____

_____

Printed Name

_____

Title

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AGREED TO:

CENTER FOR ENVIRONMENTAL HEALTH

Dated: _____

_____
Michael Green, Executive Director
Center for Environmental Health

AIRPORT CONCESSIONS, INC. and
AIRPORT CONCESSIONS CALIFORNIA, LLC

Dated: 07-18-08

_____

Winfred R Harris
Printed Name

President & CEO
Title

JUDGMENT

Based upon the stipulated Consent Judgment between CEH and ACI, judgment is hereby entered according to the terms herein.

Dated: NOV 18 2008

JOHN A. KRONSTADT

Judge, Superior Court of the State of California